



Region III Report

News from around the Region

Delaware, Maryland, Pennsylvania, Virginia, West Virginia, Washington, D.C.

April – June 2006

President Bush names private-sector executive to lead small business agency

Steven C. Preston, nominated by President George W. Bush to helm the U.S. Small Business Administration, is a former business executive with broad experience in financial management and executive leadership. He is the 22nd Administrator of the SBA since the agency's establishment in 1953, succeeding Hector V. Barreto, who took office on July 25, 2001. Preston was confirmed by the U.S. Senate by unanimous consent on June 29. The Senate Committee on Small Business and Entrepreneurship had unanimously recommended Preston's confirmation earlier in the day.



SBA Administrator Hector V. Barreto announced in May that he was stepping down as head of the agency to become national chairman of The Latino Coalition, a prominent Hispanic advocacy organization based in Washington DC.

Until recently, Preston was Executive Vice President of The ServiceMaster Company, a major franchising organization with thousands of small businesses in its network. Preston also had served as Chief Financial Officer. He previously had been Senior Vice President and Treasurer of First Data Corporation, and an investment banker at Lehman Brothers.

Preston graduated with Highest Distinction from Northwestern University with a political science degree, and received an MBA from the University Of Chicago Graduate School Of Business. He also has studied at the Ludwig-Maximilians-Universität in Munich, Germany.

Preston and his wife, Molly have five children and will be relocating to the Washington, D.C., area.

Conneaut Lake entrepreneur claims top SBA business award

PITTSBURGH – Eric A. Hoover of Conneaut Lake, Pennsylvania, who overcame childhood rheumatoid arthritis and built a thriving machine tool company from scratch in the scenic northwestern Pennsylvania resort town where he was born and raised, was recognized as National Small Business Person of the Year during ceremonies in April at SBA Small Business Week 2006, the agency's two-day conference marking National Small Business Week.

"Every year, the SBA selects a small business owner who epitomizes the creativity and commercial risk-taking that are the characteristics of a successful American entrepreneur," said SBA Administrator Hector V. Barreto.

"These are the qualities that make small businesses such a great force in the American economy, and these are the characteristics that make Eric Hoover the National Small Business Person of the Year. His company, Excalibur Machine Company, embodies the best of entrepreneurship, citizenship, and the American dream," he added.

Hoover's company, Excalibur Machine Company was founded in 1988. Excalibur provides original equipment manufacturing, machining, and fabricating services for major manufacturing companies. In the past five years Excalibur has experienced continual growth in a difficult industry, and has posted sales growth of more than 350 percent, giving Hoover the time to launch three other companies: Camelot Consolidated, a sales organization; Blade Transport, a trucking firm and Lancelot Construction, a construction firm.

The company serves manufacturers of locomotives, rail cars, material handling systems and equipment for mining, glass handling and heavy construction.

Hoover was born and raised in Conneaut Lake, a small town in northwest Pennsylvania. At an early age, Eric was diagnosed with rheumatoid arthritis and although doctors predicted he would spend the rest of his life in a wheelchair, Eric was determined to prove them wrong and fulfill his dream of making a difference in the lives of those in need.



Lenders and contractors earn national SBA awards

Whether or not you believe that good things happen in clusters, 2006 yielded an impressive number of awards winners from the Region III small business and lending communities.

In addition to the **SBPoY** and **Home-based business awards**, The Legacy Bank in Harrisburg, Pa., Rappahannock Economic Development Corp., Fredericksburg, Va., Analytical Services & Materials, Inc., Hampton, Va., Primus Technologies Corp of Williamsport, Pa. claimed SBA's Small Business Week awards in the Capital Access and Procurement categories.

Dayne Eyer, director of government guaranteed lending, was key in the institution's selection as the 2006 National Small 7(a) SBA Lender of the Year. Legacy received the award this past April at the National Small Business Week Celebration in Washington, D.C.

Rob Burke, executive director, of Rappahannock Economic Development Corp., an SBA Certified Development Company, received the SBA Excellence in Lending Award.

Jalaiah Unnam, president of Analytical Services & Materials, Inc., of Hampton, Va. received the honor of National Prime Contractor of the Year.

Procurement opportunities are an important part of the SBA's programs for entrepreneurial assistance, resulting in more than 23 percent of the federal \$300 billion, plus, in annual contracts.

Jeremiah Sullivan, president of the Primus Technologies, Corp., of Williamsport, Pa. was named the 2006 Region III (mid-Atlantic) sub-contractor of the year.

Small Business Week celebration April 12,13

WASHINGTON — The nation's best small business owners joined the U.S. Small Business Administration during ceremonies in Washington, D.C. to mark National Small Business Week, and to honor the achievements of America's top entrepreneurs, including the announcement of the National Small Business Person of the Year.

The annual observance of National Small Business Week was April 9-15, with events scheduled on April 12-13 at the Ronald Reagan International Trade Center. The two-day conference focused on small business accomplishments, and highlighted small businesses recovering from disasters. Four major awards were presented, culminating with the announcement of the 2006 National Small Business Person of the Year, Eric Hoover, President, Excalibur Machine Company, Inc., Conneaut, Pa.

Region III business owner garners SBA's top small business award

PHILADELPHIA – First, I must congratulate **Eric Hoover**, President, Excalibur Machine Co., Inc, Conneaut, Pa. His selection as the distinguished 2006 National Small Business of the Year from among a superb group of competitors, each representing a state or U.S. Territory, was the crowning moment at the SBA's April SBW awards Gala in Washington, D.C.

He could not conceal the pride in his accomplishment during the presentation ceremony. I too, was filled with pride.

Eric's company caught the eye of Stephen Carman, vice president of Corporate Banking at National City Bank of Pennsylvania who thought him worthy of this honor. District Director Carl Knoblock and staff in the SBA's Pittsburgh district office organized a panel of judges who confirmed the small business owner's accomplishments. That sentiment also resonated at every level of the selection process.

It is apparent that Excalibur Machine Company is under excellent leadership. The machine and fabrication operation's distinguishing characteristics are embracing technology, creating a good work environment, and giving employees a percentage of company profits. The investments in process, technology, and most importantly people, laid the path to a near 400 percent increase in revenues and 780 percent growth in the number of employees.

Eric's formula for success is the keystone to earning national recognition. The SBA selects the best of the best to bestow this honor. Region III, specifically the Conneaut, Pennsylvania community, is home to a nationally renowned small business owner, Eric Hoover. *(Story on Page 1)*

The 2006 National Home-Based Business Champion of the Year, Rosemin Mohammed, president of ABC123 Academy, is another exemplary small business owner from Dale City, Va. Nominated by Linda Decker, president and chief operating officer of The Flory Small Business Center, in Manassas, Va., Mohammed's journey to entrepreneurial success was compelling and fraught with challenges. She also received her award at the April Small Business Week celebration.

Rosemin childcare business began in her home and is now moving to a fully equipped facility and creating many jobs in her community. She is also a dedicated advocate for home-based business ownership. A native of Trinidad and Tobago, Rosemin is tenacious and committed to community-based business development. The Richmond District Office, under the leadership of Ron Bew, chose her to represent the district in regional and national competition.

Once again, congratulations to Eric and the outstanding team at EMC and to Rosemin Mohammed for their remarkable achievement.



Stephanie A. Watkins
Administrator,
Region III

SBA names Umberger Baltimore Office director

Baltimore – Stephen D. Umberger of Stevensville, Md., in May accepted an appointment to manage the U.S. Small Business Administration's Baltimore District Office from SBA Administrator Hector V. Barreto.

As district director, Umberger, a 23-year veteran of the SBA, will oversee delivery of the agency's programs and services in the state of Maryland, with the exception of Montgomery and Prince George's Counties, which are served by the SBA field office in the District of Columbia.

Umberger comes to the new position from the SBA Office of Field Operations in Washington, D.C., where he managed the Agency's national internal control and quality assurance program. He also served as liaison to SBA's offices of Government Contracting and Business Development, Chief Financial Officer, General Counsel, Inspector General, and in regional and district offices across the country. Before joining SBA headquarters staff, he served many years in the SBA District Office in Cleveland, Ohio, where he held positions in loan underwriting, servicing, and liquidation.

Over the past several years, in addition to his duties in Washington, Umberger served as acting district director for the agency's Rhode Island, Philadelphia, and Houston district offices. Umberger has been performing similar duties in the Baltimore district since the retirement of the former director earlier this year.

Umberger is a graduate of Villanova University, School of Commerce and Finance, Villanova, Pa., where he earned a Bachelor of Science degree in Business Administration with a major in Finance. He lives in Stevensville, Md., with his wife Kimberly, and two daughters, Brittany and Kristen.

"We all succeed when small entrepreneurs are prosperous. My job is to ensure that they have access to the SBA's resources to realize their success," Umberger said.

The Future of Your Business is the Reason, to Prepare for the Hurricane Season

*By Stephanie A. Watkins, Regional Administrator
SBA Philadelphia Regional Office*

The best time for a small business owner to respond to a disaster is before it happens.

A relatively small investment of time and money now may prevent severe damage and disruption of life and business in the future. Small businesses in Region III are as susceptible to disasters – flood, hurricane, earthquake, ice storm, wildfires, and landslide-- as small businesses in the rest of the country.

Man-made disasters – oil spill, terrorist attack, fire – can devastate the surrounding neighborhood and economy as well. Even though an area has never been damaged before, there is no guarantee that it will not happen tomorrow. With proper planning, business owners will increase the likelihood of their business' survival and be able to rebuild, recover, and get back to business sooner.

Protecting critical records by making backup copies and storing those records in a secure, offsite location will save time and money. Business owners should meet with their insurance agent to make sure they understand exactly what is covered. And, buying business interruption insurance can cover lost profits and necessary expenses while the company is out of operation. The building should be examined to identify the risks based on its geographic area. Common-sense measures and communication with employees, suppliers, customers, the local media and the general public will make a big difference.

America's small businesses are the backbone of the nation's economy accounting for more than 99 percent of all employer firms in America and creating between 60 to 80 percent of the net new jobs in the economy. With those staggering statistics, it should be clear that now is the time to create a disaster preparedness plan.

Without a disaster preparedness plan in place, a business owner risks losing everything they've worked hard to accomplish. The resources available at the SBA's Web site www.sba.gov/disaster provide additional disaster preparedness tips and links to other sites with information

Other helpful links

<http://www.sba.gov/npm2006/NPM2006/SBADisasterHandoutedit6106.pdf>

<http://www.sba.gov/npm2006/faq.html>

http://www.sba.gov/disaster_recov/index.html

The President's Small Business Agenda

Did you know that . . . proposed **Association Health Plans** legislation would allow small businesses to band together through trade and professional associations to purchase affordable health packages for themselves and their employees?

AHPs level the playing field. By joining together, small employers would enjoy greater bargaining power, economies of scale, and administrative efficiencies, all benefits already enjoyed by large companies.

AHPs would make insurance more affordable for small businesses. The Congressional Budget Office (CBO) has estimated that small businesses obtaining insurance through AHPs will enjoy premium reductions of 13 percent on average.

Because insurance would be more affordable, more small firms would provide it to their employees. According to CBO, approximately 2 million American workers and their families who would otherwise not be insured, would obtain health insurance through AHPs.

Districts honor award winners in ceremonies across Region III

West Virginia District

The West Virginia District held its annual Small Business Week Awards Banquet on May 10 at the Charleston Marriott in Charleston W. Va. The event was held in conjunction with the West Virginia Conference on Entrepreneurship. **Connie Saunders**, President of Saunders Staffing, Inc. of Bluefield, is the West Virginia Small Business Person of the Year. Larry Puccio, chief of staff for Governor Joe Manchin, III was the keynote speaker. West Virginia District Director Judy K. McCauley presented Champion and Top Lender Awards before a crowd of over 150. Pat Lawrence, editor of A Woman's View, was recognized as the Regional Small Business Journalist.

Philadelphia District

The Philadelphia District Office on May 19 held a successful Small Business Week event with more than 480 people present. Regional Administrator Stephanie A. Watkins addressed the group and presented awards to **William (Drew) A. Schmidt, Jr.**, owner of William A. Schmidt, Jr. & Sons, Inc., Chester, Pa. and other award winners. The ceremony, SBA Day at Citizens Bank Ballpark, is a prelude to the Philadelphia Phillies' game.

Richmond District

The Richmond District Office held a successful Small Business Week luncheon with more than 320 in attendance. Regional Administrator Stephanie A. Watkins welcomed the attendees. **J. Daniel Stevens** and **Thomas W. McDonough** of Port Equipment Service, Inc. of Portsmouth, Va. are *Virginia's Small Business Persons of the Year*. Stevens, McDonough and other Virginia champions received awards at the annual Small Business Awards luncheon held May 12th at the Jefferson Hotel in Richmond, Va.

Washington, D.C. District

On May 25th the Washington Metropolitan Area District Office saluted the Small Business Award winners at their Gala Small Business Awards Breakfast held at the Ronald Reagan Building, Washington, D.C. Mr. Jeffery L. Weiss, Creative Learning, Inc. was our Master of Ceremonies. **Warren Errol Brown** of CakeLove and Love Cafe in Washington, D.C. is the Washington Metropolitan's Area District Office Small Business Person of the Year. More than 350 people attended the event.

W.Va.'s Emma Wilson earns Quality Award

"The West Virginia SBDC awarded **Emma Wilson**, Small Business Administration project officer for West Virginia, with its June Quality Award. Emma's determined but light-handed approach to helping the WWSBDC improve its relationships with the banking community is much appreciated. She has 'gone the extra mile' to ensure that WWSBDC employees around West Virginia are encouraged and helped to work easily with SBA personnel as well as banks. Emma has very quickly and (seemingly) effortlessly become part of our working landscape. Thanks Emma!"



Conley Salyer
WWSBDC State Director

SBA's Advocacy saves businesses \$6.6 billion during Fiscal Year 2005

WASHINGTON – The Office of Advocacy, the "small business watchdog" of the government, saved small business over \$6.6 billion in fiscal year 2005. By working with federal agencies to implement the Regulatory Flexibility Act (RFA), Advocacy ensured the voice of small business was heard in the regulatory process. That effort resulted in rules which met their regulatory goals while at the same time lessening the burden on small business compared with the original proposals.

"The Office of Advocacy is proud to live up to its reputation as a fighter for American small business," said Chief Counsel for Advocacy Thomas M. Sullivan. "When the voice of small business is heard in the regulatory process better decisions are made and better rules are written. By working closely with small business owners, their representatives, and with federal agencies our staff showed that one-size-fits-all rules are not the best solution. Our cost savings show that many times original proposed rules can impose unintended costs on America's innovative, job-creating small businesses."

The \$6.6 billion in foregone regulatory cost savings by small business are outlined in the *Report on the Regulatory Flexibility Act, FY 2005*, released recently by the Office of Advocacy.

Advocacy research shows that the smallest of businesses annually spend \$7,647 per employee to comply with all federal regulations. That is 45 percent more than the \$5,282 per employee spent by firms with 500 employees or more.

The Office of Advocacy, the "small business watchdog" of the government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, and the President.

For more information and a full copy of the report, visit the Office of Advocacy website at www.sba.gov/advo.

SBA Gulf Coast recovery loans surpass \$10 billion

WASHINGTON – (June 20, 2006) – With 99.5 percent of applications processed, the U.S. Small Business Administration has approved an unprecedented \$10 billion in disaster loans following last year's devastating hurricanes.

More than 21,750 businesses in the disaster zone have been approved for \$2.3 billion worth of loans. The approval rate for business disaster loans stands at 51 percent.

For homeowners and renters, 130,436 loans worth \$7.7 billion have been approved.

Besides SBA disaster recovery loans, the SBA's regular small business loan programs have provided 4,260 commercial loans worth more than \$790 million to small businesses in the declared disaster areas.

Louisiana leads in the number of disaster loans and dollars approved at 89,622 for \$6.3 billion. Following is Mississippi at 34,619 for \$2.5 billion. Rounding the list is Texas for 8,487 loans for \$351 million, Florida for 16,622 loans for \$767 million and Alabama at 2,838 loans for \$131 million.

More than 320,900 properties have been inspected for damage by SBA field inspectors. At the height of the agency's response, more than 4,200 people were working around the clock on disaster assistance.



Phoenix Award

Saymendy Lloyd, Founder/Director
Women's Wing Organization, Inc.
Washington, D.C

D.C. entrepreneur helps survivors of Gulf hurricanes, earns American Spirit Award

WASHINGTON, D.C. – *Saymendy Lloyd*, who is one of many small businesses and volunteers that helped in the areas devastated by hurricanes Katrina, Rita, and Wilma, reaching as far away as Wisconsin, was awarded the SBA 2006 American Spirit Award at a breakfast ceremony in Washington, D.C. The ceremony was part of National Small Business Week, April 9-15.

The national recognition acknowledges her hard work and determination to assist small businesses in their efforts to recover quickly, and for the selfless help of the Women's Wings Organization. Lloyd volunteers her time and effort to help fellow Americans affected by this devastating and unprecedented disaster.

Women's Wing Organization, Inc. is a Washington, D.C.-based humanitarian and community development organization. Lloyd, in addition to serving as manager, serves as counselor, activist, advocate, family, and friend to those in need.

She was nominated for the award because of the outstanding support she provided to the disaster victims who were relocated to the Washington, D.C. area. Not only did she open up her home to the survivors, she and the organization provided food and shelter.

Small businesses garner \$79.6 billion in federal contracts

WASHINGTON – For the first time in history, small businesses received a record-breaking \$79.6 billion in federal prime contracts, \$10 billion more than the year before according to a report from the U.S. Small Business Administration.

The contracts represented 25.4 percent of federal prime contracting dollars in FY 2005, surpassing the overall government statutory goal of 23 percent for the third consecutive year.

The data shows that the federal government purchased \$314 billion worth of goods and services from businesses large and small. Participants in the SBA's 8(a) Business Development Program received \$10.5 billion in contracts, a 25 percent increase over the previous year.

The Department of Defense, the leading purchaser of goods and services, awarded \$53.8 billion of its contracts, or about 24.6 percent, to small businesses. Contracting dollars awarded to women-owned small businesses increased by \$1.4 billion to a record \$10.5 billion, a 15 percent increase over the previous year. Contracts to service-disabled veteran-owned small businesses increased significantly, reaching \$1.9 billion, up from \$1.2 billion in FY 2004 and a 58 percent increase over the previous year.

More information at <http://www.sba.gov/GC/goals/DisclaimerstotheFY2005SmallBusinessGoalingReport.pdf>.